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Proc 2**DECISION****THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

FILE: B-204549

DATE: December 23, 1981

MATTER OF: Liberty County Refuse Company

**DIGEST:**

1. Protest against a proposed award on the basis that the low bid is unbalanced between the basic (\$87,590.64) and the first option (\$90,499.36) year is denied. Low bid does not appear to be mathematically unbalanced because startup costs plus profit in the base year could reasonably account for the price difference between years. Further, the low bid is not materially unbalanced because the agency anticipates a continued need and available funding for the option periods; thus, the low bid offers the Government the lowest ultimate cost.
2. Where the agency intends to make award to the low responsive and responsible bidder, the protester's contention that the low bidder submitted a below-cost bid does not provide a valid basis to challenge the proposed award.

Liberty County Refuse Company (Liberty) protests against an award to either of the two bidders which submitted bid prices lower than Liberty's in response to invitation for bids (IFB) No. F08637-81-R-0035 issued by the Air Force for certain refuse collection services at Tyndall Air Force Base. Liberty contends that the two lower priced bids are nonresponsive. The Air Force intends to make award to the low bidder. We find that the protest regarding the low bid is without merit and because of our finding and the Air Force's intention to award to the low bidder, we do not consider the merits of the protest regarding the second low bid.

First, the IFB provided that the low bid would be the bid containing the low aggregate bid prices for the base year, the first option year, and a 9-month period following the first option year. In accord with that evaluation scheme, the Air Force determined that Sanitation, Inc.'s, bid in the aggregate amount of \$230,321.76 was the low responsive bid. Liberty's total bid price was \$14,000 higher. For the base year, Sanitation bid \$87,590.64 and for the first option year, Sanitation bid \$80,499.36. Liberty contends that the low bid submitted by Sanitation must be rejected as nonresponsive because Sanitation unbalanced its bid by loading its bid price for the basic year. In Liberty's view, Sanitation's costs in the first option year should exceed its costs for the base year due to indications that the cost of performance should increase, not decrease.

In reply, the Air Force reports that Sanitation's startup costs could reasonably be responsible for the higher bid price for the base year than the price for the first option year. The Air Force also reports that there is no reasonable doubt that the award to Sanitation will ultimately result in the lowest cost to the Government because the need for the service is expected to continue through the option periods and it is anticipated that funding will be available for the option periods.

Our Office examines allegations of unbalanced bidding from two aspects. The first is a mathematical evaluation of the bid to determine whether each bid item carries its share of the cost of the work plus profit, or whether the bid is based on nominal prices for some work and enhanced prices for other work. The second aspect--material unbalancing--involves an assessment of the cost impact of a mathematically unbalanced bid. A bid is not materially unbalanced unless there is a reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will not result in the lowest ultimate cost to the Government. Consequently, only a bid found to be materially unbalanced may not be accepted. Propserv Incorporated, B-192154, February 28, 1979, 79-1 CPD 138; Mobilease Corp., 54 Comp. Gen. 242 (1974), 74-2 CPD 185; Reliable Trash Service, B-194760, August 9, 1979, 79-2 CPD 107; Kollmorgen Corporation, B-201254, February 3, 1981, 81-1 CPD 63.

In view of (1) our conclusion that Liberty's protest regarding the low bidder is without merit and (2) the Air Force's intent to make award to the low bidder, it is unnecessary for our Office to consider the merits of Liberty's protest regarding the second low bid.

The protest is denied in part and dismissed in part.

*Harry R. Can Cleve*  
For Comptroller General  
of the United States